



Pay Administration

Module 9

National Guard Technician Personnel Management Course

PAY SETTING DIRECTIVES

- Title 5, United States Code, Chapter 53
-- Federal Employees' Pay Comparability Act, **1990**
- Title 29 -- Fair Labor Standards Act, 1938
- Title 5, "Federal Workplace Flexibility Act" of 2004
- Title 5, Code of Federal Regulation, Parts 530, 531, 532, & 536 . . .

Pay Setting Directives . . .

- Comptroller General Decisions
- DoD Financial Management Regulation, Vol 8
- NGB Technician Personnel Regulation(s)

FEDERAL PAY SYSTEMS

- General Schedule (GS):
a nationwide system set by Congress.
- Federal Wage System (FWS): set by local wage surveys.



GENERAL SCHEDULE (GS)

Covers . . .

- Administrative / Professional
- Clerical / Technical
- Protective

and has . . .

15 Grades

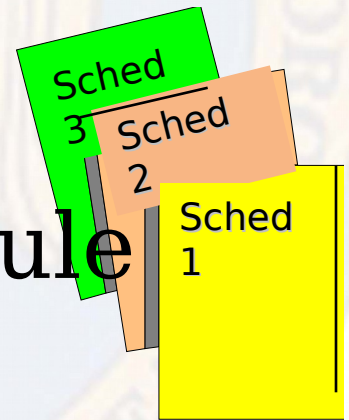
with . . .

10 steps each



General Schedule

- Regular nationwide schedule
- Locality schedule that supplements the General Schedule
- Special salary rate schedules



GS Salary Adjustments

- “Basic Pay”: based on Employment Cost Index, determined by Congress and approved by The President
- Locality Adjustments – Computed as a percentage of basic pay
- Determined annually, effective 1st pay period after 1 Jan
- Special salary rates - reviewed annually
- May increase or stay the same
 - 5 USC 5303 & 5304₇

FEDERAL WAGE SYSTEMS (FWS)

Covers...

- Trades and crafts-related fields

and has...

- 15 Grades for Non-Supervisory (WG)
- 15 Grades for Work Leaders (WL)
- 19 Grades for Supervisory (WS)

with...

- 5 steps per grade



FWS Salary Adjustments

FWS pay schedules based on “prevailing rates”

- Established by DoD Wage Setting Division
- Determined annually according to survey schedule, by local wage survey
- Change is unique to wage area
- May increase, decrease or remain the same
- Effective different times of the year

5 USC 5343

TECHNICIAN PAY ADJUSTMENTS

- Annual Nationwide Adjustments
- Promotions
- Within-Grade (Step) Increases
 - 5 CFR 531 Subpart D (GS Employees)
 - 5 CFR 532.417 (FWS Employees)

Annual Adjustments

General Schedule (GS)

- **Based on the Economic Cost Index (ECI)**
- **Approved by Congress/The President**
- **Computed as percentage of basic pay**
- **Increase currently in January**

Federal Wage System (FWS)

- **Determined by local wage survey**
- **Change is unique to wage area; percentage of basic pay**
- **May increase, decrease or remain the same**
- **Although yearly, date varies**

WITHIN GRADE INCREASES

WGIs apply only to GS employees in permanent positions

- "Permanent position" means a position filled by an employee whose appointment is not designated as temporary and does not have a definite time limitation of 1 year or less
- "Temporary appointment" is creditable if the employee later receives a permanent appointment without a break in service of 52 weeks or more

WITHIN-GRADE INCREASES

- Based on job performance - must have a rating of record at the acceptable level
- must have completed the required waiting period
- must not have received an "equivalent increase" in pay during the waiting period

5 CFR 531 Subpart D

GS Within-Grade Increases

Waiting Periods:

- Step 2-3-4 52 calendar weeks
- Step 5-6-7 104 calendar weeks
- Step 8-9-10 156 calendar weeks

5 CFR 531.405

FWS WITHIN-GRADE INCREASES

- Based on job performance - technicians only need to have an overall fully acceptable rating.
- must have completed the required waiting period.
- must not have received an “equivalent increase”.

5 CFR 532.417

FWS Within-Grade Increases

Waiting Periods:

- Step 2 26 Calendar Weeks
- Step 3 78 Calendar Weeks
- Step 4 and 5 104 Calendar Weeks

5 CFR 532.417



The Authority to set pay rates
rests with the “Appointing Official”

–

The Adjutant General or his/her
designated representative, The
Human Resources Officer

NEW APPOINTMENTS

1st appointment as a civilian employee of the Federal government, whether a permanent or temporary appointment

Setting pay on new appointments:

- Must set at the minimum rate of the grade, unless
- Justified and approved as superior qualifications or special needs authority 5
CFR 531, Subpart B

HIGHEST PREVIOUS RATE

- Based on a regular tour of duty
- Appointment longer than 90 days
- Highest actual rate of basic pay received while Federally employed

5 CFR 531.203(c) & 532.405

The background of the slide features a faded illustration of a Minuteman soldier on the left, holding a rifle. To his right is a large, circular seal of the Department of the Army and the Air Force National Guard Bureau. The seal contains an eagle with spread wings and the text "DEPARTMENT OF THE ARMY AND THE AIR FORCE" at the top and "NATIONAL GUARD BUREAU" at the bottom.

General Schedule Pay Setting

GS PROMOTIONS

A promotion occurs when an individual:

- Moves from a lower grade to a higher grade within the same (GS) pay schedule
- Moves from another system with a lower rate of basic pay to a higher rate within a GS grade

Promotion

GS Mandatory Promotion Rule (2 Step Rule)

When an employee moves from a lower GS grade to a higher GS grade, the employee is entitled to the lowest rate of the higher grade which exceeds the existing rate of basic pay by not less than two step increases of the grade from which promoted



GS Promotions

- Use the Mandatory Promotion Rule or Highest Previous Rate
- Cannot set pay lower than step one or higher than step 10

CHANGE TO LOWER GRADE

An action in which a technician moves
from a
GS position at one grade to a position
at a
lower GS grade; also known as a
demotion
can be voluntary
or
may be involuntary

Change to Lower Grade

A voluntary Change to Lower Grade usually is:

- Requested by an employee for their own convenience or benefit – such as a geographical move or career change
- Returns employee to their lower graded position following a temporary promotion

Change to Lower Grade

An Involuntary Change to Lower Grade occurs when the supervisor or manager moves the employee to a lower graded position; whether the employee is at fault or not at fault makes a great deal of difference on how pay is set.

- Failure to perform acceptably (personal cause)
- Reduction in force (due to mission changes--not at fault)

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Federal Wage System Pay Setting

FWS PROMOTIONS

A promotion occurs when an employee:

- Moves from one grade of a prevailing rate schedule to a higher grade in the same schedule
- Moves from a position under one prevailing rate schedule to a position under another, different prevailing rate schedule with a higher representative rate (e.g., WG to WL)
- Moves from a position not under a prevailing rate schedule to a position with a higher representative rate under the prevailing rate schedule

FWS PROMOTIONS

FWS MANDATORY PROMOTION RULE:

Technician pay on promotion is set at the lowest scheduled rate of the grade to which promoted that exceeds his or her existing scheduled rate of pay by at least 4% of the representative rate of the grade from which promoted

5 CFR 532.407

FWS CHANGE TO LOWER GRADE

Movement:

- From a higher grade to a lower grade in the same wage schedule
- From a grade with a higher representative rate to a grade with a lower representative rate in a different wage schedule (WG, WL, or WS)
- From a position not under FWS to a position with a lower representative rate under the FWS

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Pay Incentives



Pay Incentives

- Recruitment Incentive
- Relocation Incentive
- Retention Incentive
- Student Loan Repayment
- Referral Bonus
- Advanced In-Hire Rates

Recruitment Incentives

- Are paid to newly appointed technicians *if* the position is likely to be difficult to fill; document justification in writing amount and timing of payment, and service obligation period
- Are paid to FWS and GS positions
- Must be approved **prior** to selection and appointment of the candidate
- May be up to 25% of annual basic pay at the beginning of the service period

Relocation Incentives

- Are paid to currently employed technicians who must relocate to accept a position in a different geographic location *if* the position is likely to be difficult to fill
- Are paid to FWS and GS positions
- Technician must relocate to receive
- Must document justification in writing, amount and timing of payment, service obligation period, and be approved **prior** to payment
- May be up to 25% of annual basic pay at the beginning of the service period

Retention Incentives

- Are paid to currently employed technicians *if* the unique qualifications or a special need of the agency makes it essential to retain the technician *and* it is likely the technician would leave the Federal service
- Are paid to FWS and GS positions
- Must document justification in writing, amount and timing of payment, service obligation period, and be approved prior to payment
- May be up to 25% of annual basic pay at the beginning of the service period

Student Loan Repayment

- States may make payments to the loan holder of up to a maximum of \$10,000 for a technician in a calendar year and a total of not more than \$60,000 for any one employee
- A technician receiving this benefit must sign a service agreement to remain in the service of the paying agency for a period of at least 3 years

Referral Bonuses

- Goes to the person who refers a job applicant who is selected and successfully appointed--employed
- Technician's regular job does not include recruitment, but who promotes employment with the National Guard and refers potential new employees to the HRO
- Each State must set up criteria to determine award/receipt of a referral bonus, employment conditions for the new hire, amount of the 'bonus', and how it will be paid

Advanced In-Hire Rates

States must consider using a Recruitment Incentive instead of, or in addition to, the Advanced Rates

- Recruitment Incentive
 - Determinations made on a case-by-case basis
 - Must be approved in advance of the appointment

(*NOTE:* More on Recruitment Incentives later)

GS ADVANCED IN-HIRE RATES

- Purpose of Advanced Rates:
 - To recruit highly qualified candidates, or fill a critical agency need
- Setting pay for Advanced Rates based on superior qualifications or a special need for services:
 - Cannot set higher solely to match a candidate's existing pay

FWS ADVANCED IN-HIRE RATES

- The “Lead Agency” in the Wage Area may establish higher step as the minimum rate
 - activities are unable to recruit at step one because prevailing rates are higher
- Cannot be set above the maximum for the grade

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Grade & Pay Retention

GRADE RETENTION

If the employee's actual position of record is under a different pay system (FWS) than the pay system associated with the retained grade (GS), the employee is treated as being under the pay system (GS) associated with the retained grade

GRADE RETENTION

An employee who is placed in a lower grade is entitled to retain the grade held immediately before the reduction for a period of 2 years

GRADE RETENTION

Mandatory:

- **RIF**
- **Reclassification**

GRADE RETENTION

Optional:

- **In anticipation of a RIF announced in writing**
- **To further the agency's mission**

Termination of Grade Retention

- The employee has a break in service of 1 workday or more
- The employee is reduced in grade for personal cause or at the employee's request (based on the grade of the employee's position of record rather than the employee's retained grade)

Termination of Grade Retention

- The employee moves to a position with a grade that is equal to or higher than the retained grade (excluding temporary promotions)
- The employee declines a reasonable offer of a position with a grade equal to or higher than the retained grade

Termination of Grade Retention

- The employee, in writing, elects to terminate the benefits of grade retention
- The employee moves to a position not under a covered pay system

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Pay Retention

PAY RETENTION

To determine whether a grade of a position is equal to, higher than, or lower than the grade of another position in determining whether pay retention eligibility is lost or a retained rate is terminated, compare the representative rates of the applicable grades

5 CFR 536, Subpart B

PAY RETENTION

Mandatory Pay Retention is Authorized when:

- The expiration of the 2-year period of grade retention
- A reduction-in-force or reclassification action that places an employee in a lower-graded position when the employee does not meet the eligibility requirements for grade retention

Mandatory Pay Retention is Authorized When

- A management action places a technician (in a special rate position) into a non-special rate position or in a lower-paid special rate position
- A management action places an employee under a different pay schedule
- A management action places an employee in a formal employee development program generally utilized Government wide, such as upward mobility, apprenticeship, or career intern programs

Mandatory Pay Retention is Authorized When

- The application of the promotion rule for GS or prevailing rate employees, when the employee's payable rate of basic pay after promotion exceeds the maximum rate of the highest applicable rate range
- A reduction or elimination of scheduled rates, special schedules, or special rate schedules (excluding a statutory reduction in scheduled rates of pay under the General Schedule or prevailing rate schedule)

Optional Pay Retention

- An agency may provide pay retention to an employee not entitled to mandatory grade retention whose payable rate of basic pay otherwise would be reduced as a result of a management action
- To fill a position at a lower grade and is designated as “hard-to-fill”

PAY RETENTION

May not be provided when a technician

- Reduced in grade or pay for personal cause or at the employee's request
- Employed on a temporary or term basis immediately before the reduction in grade or pay
- Failed to satisfactorily complete a supervisory or managerial

PAY RETENTION

Termination of Pay Retention

- The employee has a break in service of more than one (1) workday
- The employee is entitled to a rate of basic pay which is equal to or greater than the employee's retained rate (excluding a rate resulting from a temporary promotion or temporary reassignment)

PAY RETENTION

Termination of Pay Retention

- The employee declines a reasonable offer of a position in which the employee's rate of basic pay would be equal to or greater than the employee's retained rate
- The employee is reduced in grade for personal cause or at the employee's request (based on the grade of the employee's position of record rather than the employee's retained grade)

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Special Pay

SPECIAL PAY OPTIONS

- Night Pay
- Holiday Pay
- Sunday Pay
- Environmental Differential Pay (EDP)
- Hazard Duty Pay (HDP)
- Supervisory Pay Differential (SPD)



Special Pay

GS Night Pay Differential

- Regularly scheduled work between 1800-0600
- Basic pay + 10% of basic pay
- Paid only for regularly scheduled hours actually worked at night
- Not used to calculate overtime, Sunday or holiday pay

5 CFR 550.121

Special Pay

FWS Night Shift Differential

- Regularly scheduled non-overtime hours fall between hours 1500 – 0800
- Paid for entire shift when the majority of hours fall within specified period above
- Paid 7.5% of basic rate of pay if majority of work occurs between 1500 and 2400
- Paid 10% of basic rate of pay if majority of work occurs between 2300 and 0800 is used to calculate overtime pay, Sunday pay and holiday pay

Special Pay

Holiday Pay

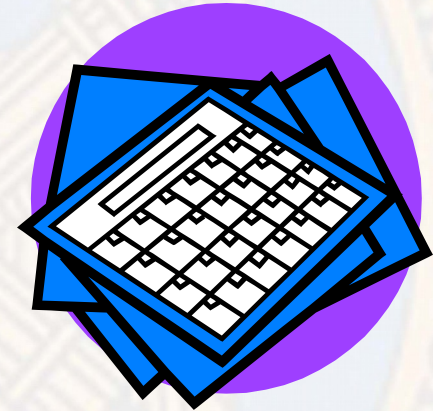
- GS & FWS: Receive double-time not to exceed normal work shift
- GS & FWS: Guaranteed 2 hours pay
- GS: Night shift = double-time + 10%
- FWS: Night shift = double time + normal night shift differential

5 CFR 532.507/5 CFR 550.131,132

SPECIAL PAY

Sunday Pay

- GS & FWS: Base Rate + 5%
- Part-time employees not eligible

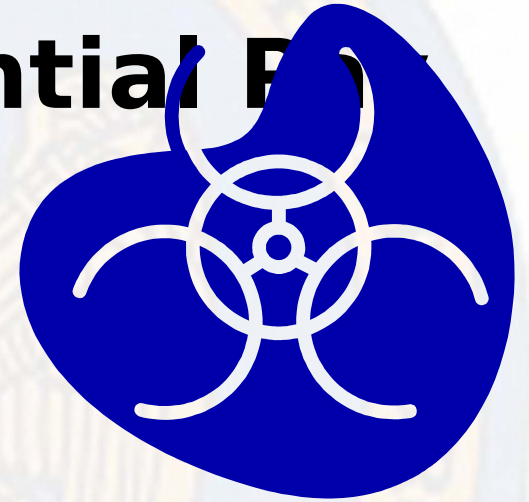


5 CFR 532.509

5 CFR 551.171,172

SPECIAL PAY

Environmental Differential Pay (EDP)



- Applies to **FWS** only
- Duty characterized by unusual physical hardship or hazards

5 CFR 532.511

SPECIAL PAY

HAZARD DUTY PAY (HDP)

- Applies to **GS** only
- Duty characterized by unusual physical hardship or hazards



5 CFR 550 Subpart I

Supervisory Pay Differential

- Paid to GS employee having supervisory responsibility for FWS employees if one or more FWS employee would, in the absence of such a differential, be paid more than the supervisory employee

5 CFR 575



SEVERANCE PAY

SEVERANCE PAY

- Paid to a technician who is involuntarily separated from Federal 'civilian employment' other than for inefficiency, misconduct, or delinquency
- Resigns after receiving a written general RIF notice announcing abolishment or transfer of all positions within the competitive area or a specific notice proposing his/her removal

Severance Pay - Eligibility Requirements

- The technician did not decline a reasonable offer to a position that is (1) in the same commuting area, (2) in the same 'agency', and (3) no more than two grades lower than current grade
- His or her service was at least 12 continuous months
- He or she is not eligible for an immediate annuity
- He or she is not receiving injury compensation

Severance Pay

May be paid to

- Permanent or indefinite technicians (if preceded by qualifying period) on full time or part time work schedule
- Severance is paid at the same pay intervals as when the technician was employed

Severance Pay

Amount of severance

- There is a 52 week lifetime limit on receipt of severance pay
- One weeks' pay for every year of service up to 10
- Two weeks' pay for every year after 10
- 10% adjustment for each year over age 40



Individual Exercises

Questions